BellSouth Telecommunications, Inc.

Suite 2104 333 Commerce Street Nashville, TN 37201-3300 Charles L. Howorth, Jr. Regulatory Vice President

615 214-6520

102 684 10 PM 3 51 Fax 615 214-8858

EXECUTIVE FEDRETARY

May 10, 2002

Mr. Joe Werner, Chief Telecommunications Division Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee

TARIFF FILING

0200539

Dear Mr. Werner:

SUBJECT: Tariff Filing for Contract Service Arrangement GA01-B467-10

Attached is a Contract Service Arrangement tariff filing of BellSouth Telecommunications, Inc., issued May 10, 2002. We request that this tariff be effective May 20, 2002.

# General Subscriber Services Tariff A

Section A5 - Original Page 300

# **Private Line Services Tariff**

Section B5 - First Revised Page 48

This Contract Service Arrangement is being submitted to the Tennessee Regulatory Authority for review and approval. Details may be found in the Executive Summary which is included with this filing package.

On April 3, 2001, the Authority adopted new Rules in Docket No. 00-00702. In view of the Authority's expressed desire to implement these Rules as the Authority's policy pending final approval, BellSouth filed a tariff to voluntarily comply with these Rules, and that tariff became effective on August 15, 2001. Since these Rules have now been implemented as the Authority's policy, BellSouth is submitting this filing under provisions in those Rules which allow a 10-day interval for the Authority's review and approval of tariffs for special contracts. In addition, notwithstanding language in the CSA to the contrary, the termination liability limitation provisions described above will also apply in the event of early termination of contracts for discount-eligible tariffed services associated with this CSA.

We appreciate your returning a receipted copy as evidence of this tariff filing. Please call Paul Stinson at 214-3839 if you have questions or wish to discuss.

Yours truly,

Paul Sturo / for Attachment

# **EXECUTIVE SUMMARY GA01-B467-10**

INTRODUCTION

The purpose of this filing is to introduce a Contract Service Arrangement that provides the customer with discounts in exchange for the Customer's agreement to attain an Annual Revenue Commitment.

## DESCRIPTION OF CONTRACT SERVICE ARRANGEMENT

This Contract Service Agreement provides for a maximum discount of 15% on billing for discount eligible services as listed in the contract included with this filing for a term of 3 years. Descriptions of these discount eligible services are listed in Sections A3., A6., A12., A13., A29., A32., A34., and A42. of the General Subscriber Services Tariff and B3., B7., and B8. of the Private Line Services Tariff. The applicable terms and conditions are also contained in the contract included with this filing.

## REVENUE AND COST INFORMATION

Revenue and cost information associated with this contract is filed under separate cover and is subject to a proprietary agreement.

BELLSOUTH TELECOMMUNICATIONS, INC. TENNESSEE

ISSUED: May 10, 2002 BY: President - Tennessee Nashville, Tennessee EFFECTIVE: May 20, 2002

# A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

## A5.6 Contract Service Arrangements (Cont'd)

## A5.6.1 Rates and Charges (Cont'd)

A. The following is a listing of rates and charges to subscribers requiring contract service arrangements: (Cont'd)

## Case No. GA01-B467-10

This Contract Service Arrangement provides a fifteen percent (15%) discount on eligible tariffed services. Discount eligible services are found in Sections A3., A6., A12., A13., A29., A32., A34., and A42. of this Tariff. In order to be eligible for this discount, the customer has agreed to attain an Annual Revenue Commitment on a regional basis. The duration of this Agreement is three years. Additional terms and conditions that are specific to this contract have been filed with the Tennessee Regulatory Authority and will be made available to interested customers.

(N)

(N)

First Revised Page 48 Cancels Original Page 48

EFFECTIVE: May 20, 2002

BELLSOUTH
TELECOMMUNICATIONS, INC.
TENNESSEE
ISSUED: May 10, 2002
BY: President - Tennessee
Nashville, Tennessee

# B5. APPLICATION OF CONSTRUCTION (TERMINATION AND ADDITIONAL CHARGES)

## **B5.7 Contract Service Arrangements (Cont'd)**

## **B5.7.1 Rates and Charges (Cont'd)**

A. The following is a list of rates and charges to subscribers requiring contract service arrangements: (Cont'd)

## Case No. TN02-7051-00

a. This Contract Service Arrangement provides for the components of the BellSouth® Integrated Solutions T1 package: Frame Relay service, BellSouth® MegaLink® service provided as a partial channel (link), and BellSouth® MegaLink® Channel service with local exchange service elements for a minimum service period of thirty-six (36) months. Additional terms and conditions that are specific to this contract have been filed with the Tennessee Regulatory Authority and will be made available to interested customers.

(1) MegaLink® service

			Nonrecurring Charge	36 Months Monthly Rate	USOC
	(a)	Service provided under a single CSA rate, partial	<b>\$-</b>	\$197.96	WBBGS
		channel (link), with interoffice up to 10 miles, per			
		link			MGLSE
	(b)	Service Establishment Charge, per MegaLink®	•	•	MGLSE
		service channel (for provisioning use only)			D1GLC
	(c)	Digital Local Channel, each (for provisioning use	7.	•	DIGLE
		only)		_	MGLPV
	(d)	Premises visit, per visit		• • • • • • • • • • • • • • • • • • •	MODE
(2)	Inter	office Channel			17 NO1
	(a)	Each channel 0-8 miles, fixed component (for			1LNO1
		provisioning use only)			1LNOA
	(b)	Each channel 0-8 miles, each airline mile or fraction		• • • • • • • • • • • • • • • • • • •	ILNOA
		thereof (for provisioning use only)		_	1NLO2
	(c)	Each channel 9-25 miles, fixed component (for			111202
	<b>(1)</b>	provisioning use only)			1LNOB
	(d)	Each channel 9-25 miles, each airline mile or fraction			
(3)	Foot	thereof (for provisioning use only) ure Activation, Broadband Exchange Line service, 56 K	thns and 64 Kbps of	lata rates	
(3)			_	4.78	1PQWE
4	(a)	Per feature activated		4.70	11 2 112
(4)	Meg	aLink® Channel service		113.02	VUM24
	(a)	Basic system capacity, central office, 24 voice	•	113.02	V UIVI24
		equivalent channels		2.99	1PQWU
	(b)	Feature activation, central office, for analog voice	• • • • • • • • • • • • • • • • • • •	L.J.J	11 Q110
		services, per trunk line, per feature activated			

## Case No. GA01-B467-10

a. This Contract Service Arrangement provides a fifteen percent (15%) discount on eligible tariffed services. Discount eligible services are found in Section B3., B7., and B8. of this Tariff. In order to be eligible for this discount, the customer has agreed to attain an Annual Revenue Commitment on a regional basis. The duration of this Agreement is three years. Additional terms and conditions that are specific to this contract have been filed with the Tennessee Regulatory Authority and will be made available to interested customers.

® Registered Service Mark of BellSouth Intellectual Property Corporation

(N) (N)

BellSouth is a registered trademark of BellSouth Intellectual Property Corporation

# BellSouth Business<sup>SM1</sup> Master Services Agreement

This BellSouth Business<sup>SM</sup> Master Services Agreement ("Master Agreement") is among the BellSouth Companies identified in Exhibit 1 (collectively, "BellSouth"), BellSouth Business Systems, Inc., ("BBS"), on behalf of the BellSouth Companies, and ("Customer") (collectively, the "Parties"). In consideration of the mutual agreements herein, the Parties hereby agree as follows:

## 1. General.

- 1.1 This Master Agreement, together with its attachments, including any orders ("Orders") issued thereunder ("Attachments") and all exhibits hereto or thereto ("Exhibits"), sets forth the terms and conditions under which BellSouth provides its services ("Services," including "Regulated Services" as defined in the Regulated Services Attachment) and equipment ("Equipment") to Customer under orders placed by Customer and accepted by BellSouth in accordance with the ordering provisions set forth in the Attachments. The Parties intend to supplement this Master Agreement with specific terms and conditions set forth in one or more Attachments. "Agreement" means the Master Agreement and all Attachments, Orders, and Exhibits, which are incorporated herein by reference. If there is a conflict in terms between the Master Agreement and the terms of the Attachments, the terms of the Attachments will govern and control.
- 1.2 Customer may order Equipment and Services from an additional BellSouth Company by signing an Attachment, subject to and incorporating the terms and conditions of this Master Agreement, and setting forth the terms and conditions established by the Parties.
- 2. Term. The term of this Master Agreement commences on January 1, 2002 ("Effective Date") and ends on the date on which the term of the last Attachment hereto ends. The term and termination provisions for any Attachment are set forth in the Attachment. Upon the termination of any Attachment with respect to any BellSouth Company, the Master Agreement is deemed terminated with respect to such BellSouth Company as to the Services and Equipment covered by that Attachment. Under such circumstances, the Master Agreement and all other Attachments will remain in full force and effect with respect to the remaining BellSouth Companies and to the Services and Equipment provided by each BellSouth Company.
- 3. BBS Functions. BBS is acting on behalf of the BellSouth Companies and is not a provider of any Services or Equipment to Customer under this Agreement. BBS represents and warrants that as of the Effective Date it has, and throughout the Term it shall have, the authority to act on behalf of the BellSouth Companies as set forth in this Agreement. During the term of this Agreement, Customer will deal directly with each BellSouth Company with respect to changes to, and reporting problems with, existing Services and Equipment, and questions about billing by the respective BellSouth Company.
- 4. Prices and Payment. Prices, fees, charges, and rates for all Equipment and Services will be as set forth in the applicable Attachment or Order, including, as applicable, BellSouth Company rate schedules or pricing guides in effect from time to time, copies of which shall be provided to Customer and incorporated into the Attachment or Order.

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<sup>&</sup>lt;sup>1</sup> BellSouth Business<sup>SM</sup> is a service mark of BellSouth Intellectual Property Corporation.

5. Taxes. Unless otherwise provided in an Attachment, all charges and fees are exclusive of applicable federal, state or local taxes. Customer agrees to pay or reimburse the BellSouth Company providing the Service or Equipment for any and all sales and use taxes, duties, or levies directly imposed by any authority, government, or government agency (other than taxes levied on BellSouth's net income) resulting from the provision or use of any Service or Equipment under this Agreement. The BellSouth Company shall separately identify the taxes on a separate line item on its invoices submitted to Customer. Customer will be responsible for any ad valorem, property, or other taxes assessable on any equipment included in the Services and Equipment on or after the delivery to the installation site.

## 6. Customer Responsibilities.

- 6.1 Customer agrees (i) to comply with all applicable laws, rules and regulations applicable to Customer's use of the Services and Equipment, (ii) not to use any Services or Equipment in a way that would, or would assist any third party to, violate any law or be in breach of the Agreement, or (iii) not to use, transmit or publish in connection with the Services and Equipment any information, software or other content in any manner that violates or infringes upon the intellectual property rights of any third parties or the use of the facilities and capabilities of the Services and Equipment to conduct any business or activity, or solicit the performance of any activity, that is prohibited by law
- 6.2 Customer's delay or failure to fulfill its responsibilities hereunder may result in an adjustment to the costs or the schedule for delivery of the Services and Equipment, and will release the BellSouth Company from its obligations hereunder to the extent that the BellSouth Company is adversely affected by such Customer delay or failure.

## 7. BellSouth Company Obligations.

- 7.1 The Parties agree that each BellSouth Company is responsible only for the provision of the Services and Equipment and the terms and conditions specifically identified in the Attachment (and any supplement) applicable to such BellSouth Company, that the duties and responsibilities of each BellSouth Company are several, and that the Attachment under which a BellSouth Company provides Equipment and Services is not affected by the terms and conditions contained in any other Attachment to this Agreement.
- 7.2 BellSouth agrees to comply with all applicable laws, rules and regulations in connection with the Services and Equipment and not to provide any Services or Equipment that would, or would assist any third party to, violate any law or be in breach of the Agreement. BellSouth agrees not to use, transmit or publish in connection with the Services and Equipment any information, software or other content in any manner that violates or infringes upon the rights of any others or use the facilities and capabilities of the Services and Equipment to conduct any business or activity, or solicit the performance of any activity, that is prohibited by law.
- 7.3 The relevant BellSouth Company shall install all Services and Equipment ordered under this Agreement by Customer in a timely manner.

## 8. Assignment and Resale.

8.1 Except as set forth below or in an Attachment, neither Customer or any BellSouth Company may assign or delegate its rights or the obligations without the prior written consent of

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the other, which consent will not be unreasonably withheld or delayed. Any attempted assignment or delegation without the prior written consent of the relevant Party will be void. Notwithstanding the foregoing, (A) either party may, without the other party's consent, assign or delegate this Agreement and/or any duties or obligations hereunder to any entity owned in whole or in part by the assigning party or by one or more of its direct or indirect subsidiaries, or (B) any BellSouth Company may subcontract the performance of any of its obligations under this Agreement. Each BellSouth Company shall remain legally responsible for any Services or Equipment that is subcontracted. Except as otherwise specifically stated in this Agreement, the provisions of this Agreement are for the benefit of the Parties hereto and not for any other person.

8.2 Unless otherwise set forth in the applicable Attachment, Customer may not resell any of the Equipment or nonregulated Services without the prior written consent of the applicable BellSouth Company, which consent may be withheld in the sole and absolute discretion of the BellSouth Company.

# 9. Trade Name, Trademarks and Service Marks, Use of Materials, Marks and Information.

- 9.1 Neither Party is authorized to and will not use any name or mark of the other Party in any advertising, publicity or in any other commercial manner without the prior written consent of the other Party.
- 9.2 Customer may use, copy and distribute the materials relating to the Services for internal, noncommercial, informational purposes only. Except as authorized in this paragraph, Customer is not being granted a license under any copyright, trademark, patent or other intellectual property right in the material or the products, services, processes or technology described therein. BellSouth, its affiliates and/or any third party owner of such rights retain all such rights. Customer shall have no ownership or property rights in the Services or in any documentation provided in connection with the Services. Customer may make copies of such documentation solely for use in connection with its authorized use of the Services, and all such copies shall include all copyright, trademark and other proprietary notices appearing in the original documentation. Upon the termination of the Services to Customer, Customer shall return all copies of the documentation to BellSouth or certify destruction of such documentation.
- 9.3 All trademark, product and service marks contained on or associated with the Services and Equipment that are not BellSouth Company marks are the trademarks of their respective owners. References to any names, marks, products, services or equipment of third parties do not necessarily constitute or imply BBS's or BellSouth's endorsement, sponsorship or recommendation of the third party, information, product or service.
- 9.4 Neither Party will make any media release or other public announcement relating Or referring to the Agreement without the prior written consent of the other Party.

## 10. Confidential Information.

10.1 Except as set forth in this Section, or as otherwise expressly provided in this Agreement, each Party agrees that (i) all information communicated to it by the other and identified as "confidential," whether before or after the date hereof, (ii) all information identified as confidential to which it has access in connection with the Services and Equipment, (iii) all

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trade secrets as defined under applicable law, as amended from time to time, (iv) information including, but not limited to, technical or non-technical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, nonpublic forecasts, studies, projections, analyses, all customer data of any kind, or a list of actual or potential customers or suppliers which: (i) derives economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy, and (v) this Agreement and the Parties' rights and obligations hereunder (collectively, "Confidential Information"), will be, and will be deemed to have been, received in confidence and will be used only for purposes of this Agreement. Confidential Information also means information regarding either party's activities that is not available to the public and that, if disclosed, would likely provide such person with an advantage over either party or others in a transaction with either party or could otherwise be used to the detriment of either party. Each Party agrees to use the same means it uses to protect its own confidential information, but in no event less than reasonable means, to prevent the disclosure and protect the confidentiality of Confidential Information. No Confidential Information will be disclosed by the recipient Party without the prior written consent of the disclosing Party; provided, however, that each Party may disclose this Agreement and any disclosing Party's Confidential Information to those who are employed or engaged by the recipient Party, its agents or those of its affiliates who have a need to have access to such information in connection with their employment or engagement, provided the recipient Party notifies such persons of the obligations set forth in this Section and such persons agree to abide by such obligations.

10.2 The obligations set forth in subsection 10.1 above will not prevent any Party from disclosing information that belongs to such Party or (i) is already known by the recipient Party without an obligation of confidentiality other than under this Agreement, (ii) is publicly known Or becomes publicly known through no unauthorized act of the recipient Party, (iii) is rightfully received from a third party who is not known, after reasonable diligence, to be under a separate obligation to keep such Confidential Information confidential, or (iv) is independently developed without use of the disclosing Party's Confidential Information. If Confidential Information is required to be disclosed pursuant to law, regulation, tariff or a requirement of a governmental authority, or in connection with an arbitration or mediation, such Confidential Information may be disclosed pursuant to such requirement so long as the Party required to disclose the Confidential Information, to the extent possible, provides the disclosing Party with timely prior notice of such requirement and coordinates with the disclosing Party in an effort to limit the nature and scope of such required disclosure. Upon written request at the expiration or termination of an Attachment or Order, all documented Confidential Information (and all copies thereof) owned by the requesting Party (if previously received by the terminating Party) will be returned to the requesting Party or will be destroyed, with written certification thereof being given to the requesting Party. The receiving party acknowledges and agrees that the Confidential Information will remain the sole and exclusive property of disclosing party or a third party providing such Confidential Information. The disclosure of the Confidential Information to receiving Party does not confer upon receiving Party any license, interest, or rights of any kind in or to the Confidential Information, except as provided under this Agreement. The provisions of this Section will survive the expiration or termination of any Order, Attachment and this Agreement for any reason.

10.3 Confidential Information will not include any feedback, data, answers, questions, comments, suggestions, ideas or the like, that Customer sends to any BellSouth Company or to

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BBS relating to the Services or Equipment, unless the disclosing Party otherwise defines such information as Confidential Information. BellSouth and BBS assume no obligation to protect such information from disclosure and will be free to reproduce, use, and distribute the information to others without restriction. BellSouth and BBS will also be free to use any ideas, concepts, know-how or techniques contained in such information or developed by them, for any purpose whatsoever including but not limited to developing, manufacturing and marketing services and equipment incorporating such information. Nothing contained in this Section restricts the right and ability of BBS and BellSouth to use information concerning the execution of this Agreement and the provision of the Services and Equipment to Customer in internal publications.

10.4 The receiving Party acknowledges that the disclosing Party would be irreparably harmed by any disclosure or use of Confidential Information by the receiving Party and would suffer injuries for which damages at law would be inadequate. Notwithstanding the mediation and arbitration provisions of Section 18, the receiving Party agrees that the disclosing Party will have the right to petition for injunctive or other equitable relief from a court of competent jurisdiction to prevent such unauthorized use. The receiving Party will not assert in any such proceeding that damages at law would be adequate.

## 10.5 Information Security.

- 10.5.1 Both parties will provide information and data back-up procedures and information security so as to reasonably insure that the disclosing party's Confidential Information is not lost, modified, or disclosed to any other party or accessed by any other party without the disclosing party's prior written approval. Such security measures will equal or exceed standard industry practices for similar vendors dealing with non-public, confidential customer or bank information for banks and other financial institutions.
- 10.5.2 The receiving party warrants to the disclosing party that the receiving party will reasonably monitor, evaluate and adjust its information security systems and procedures in response to relevant changes in technology, changes in the sensitivity of the disclosing party's Confidential Information as reasonably determined by disclosing party, and internal and external threats to information security. The receiving party will promptly notify the disclosing party of: (a) any material unauthorized possession, use, or knowledge, or attempt thereof, of the data-processing files, transmission messages or other Confidential Information by any person or entity that may become known; (b) the effect of such; and (c) the corrective action taken in response thereto.
- 10.6 Right to Audit. During the terms of this Agreement, and for one year following termination:
  - 10.6.1 Solely with respect to disclosing party's Confidential Information, disclosing party will have the right to conduct a remote or on-site audit of the receiving party, at disclosing party's discretion and disclosing party's expense, to review the information and data security systems and processes of receiving party at any time during regular business hours upon no less than five (5) business days prior notice to the receiving party. Such audit and review may be performed by disclosing party, its agent, or an independent third party bound by a nondisclosure terms no less restrictive than contained herein, and may include reasonable testing of the systems and procedures. Any such security tests will be scheduled by mutual agreement of the parties. Receiving party agrees to

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promptly grant reasonable access to logs, policies, records, or other materials reasonably required for disclosing party to perform the audit. Disclosing party will reasonably determine the extent and methodology of the testing subject to the approval of receiving party, such approval not to be unreasonably withheld. Further, receiving party agrees to make available to disclosing party the results of any third party's or its own testing, monitoring and auditing of such systems and procedures; provided, however, that receiving party will not be required to make available any such results which would breach confidentiality obligations between receiving party and any third parties.

- 10.6.2 Should such an audit, test or review reveal that receiving party's security procedures or its contemplated services do not effectively protect disclosing party's Confidential Information, then receiving party will complete and install modifications, the cost, expense, and allocation of which will be agreed upon by the parties, to its security systems or implement recommended changes to its operating systems to meet the security requirements of disclosing party, its regulators, and the provisions of applicable law, including, but not limited to, The Gramm-Leach-Bliley Act (15 U.S.C. 6801 and 6805), as applicable.
- 10.6.3 Prior to initiation of any audit which occurs following termination of this Agreement, the parties will discuss and mutually agree upon a reasonable estimate of the total costs of the audit, which party will bear these costs, and the payment schedule for such costs. It is the intent of the parties that disclosing party bear the full cost of any such audit unless a substantial and previously unknown security breach is identified as a result of such audit, in which case the reasonable cost of the audit may be shared or born by the receiving party as mutually agreed to by the parties.
- Modifications to Agreement due to Changes in Information Security Law. To the extent that regulations promulgated under The Gramm-Leach-Bliley Act (15 U.S.C. 6801 and 6805) require additional or modified security, privacy, or confidentiality agreements between financial institutions and third party vendors, BellSouth agrees that it will execute such additional or modified agreements as required by Customer.

# 11. Intellectual Property Rights Infringement Indemnity.

11.1 With respect to any suit or claim brought or threatened against Customer that the Equipment, software ("Software") or Services furnished under this Agreement (unless provided on an "as is" basis) infringe a United States patent, copyright, trademark, trade secret or other intellectual property right, BellSouth will indemnify, defend and hold harmless Customer, together with its directors, officers, employees, and agents from and against all finally awarded damages, judgments, actions and expenses (including, without limitation, reasonable attorneys' fees and reasonable direct costs incurred by Customer) arising or resulting from, or in connection with, such suit or claim. BellSouth's obligation in this Section is express1y conditioned upon: (i) BellSouth being notified promptly in writing by Customer of any claim or suit of which Customer is aware; (ii) BellSouth having sole control of the defense or settlement of any claim or suit, and Customer not making any compromise, admission of liability Or settlement or taking any other action impairing the defense of such claim without BellSouth's prior written approval; (iii) Customer cooperating with BellSouth in all reasonable ways to facilitate the settlement or defense of any claim or suit; and (iv) the claim or suit not arising from Customer modifications, or from combinations of Services and Equipment provided by a

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BellSouth Company with services and equipment provided by Customer or others, or from Customer's use of such Services and Equipment other than in accordance with the applicable manufacturer's specifications. Customer, by written notice to BellSouth, at its sole option, may elect to undertake, at its own expense, the defense, litigation, settlement, appeal, compromise, or other disposition of any suit or claim for which BellSouth is responsible hereunder, and upon receipt of such notice, BellSouth's indemnification obligations with respect to that suit or claim (but not with respect to any other suit or claim) under this Agreement will automatically be excused.

- 11.2 If any Equipment, Services or Software becomes, or in BellSouth's opinion, is likely to become the subject of a claim of infringement, or if a final injunction is obtained against Customer prohibiting use of such by reason of infringement of a United States patent, copyright, trademark, or other intellectual property right, BellSouth will, at its option: (i) procure for Customer the right to continue using the applicable Services, Equipment or Software; (ii) replace it with non-infringing Equipment, Services or Software substantially complying with the Equipment, Services, or Software specifications; (iii) modify the Equipment, Service or Software so it becomes non-infringing and performs in a functionally similar manner, as compared to the original Equipment, Service or Software; or (iv) direct Customer to cease using the affected Equipment, Services or Software, in which case, the Services shall terminate immediately.
- 11.3 If the options set forth in Section 11.2 above are not reasonably available to BellSouth, then BellSouth may elect instead to return the portion of the price paid for the purchased Equipment or the one time fee paid for the licensed Software or any amounts prepaid by Customer for the affected Services for any period after BellSouth directs Customer to cease such use, which is in either case the subject or potential subject of an infringement claim, as then depreciated based on Customer's depreciation schedule used for federal income tax reporting purposes. Such payment will be in addition to Customer's remedies under any applicable Attachment.
- 11.4 Customer will indemnify and save BellSouth harmless from and against all loss, liability, damage, and expense, including all reasonable counsel fees, due to claims for infringement of United States patents, copyright, trademark, or other intellectual property rights, of third parties arising from the use, in connection with the Services or Equipment, of equipment, software or information not provided by BellSouth, or otherwise relating to or arising out of Customer's misuse of the Services or Equipment..
- Party") and hold harmless and indemnify the other party (the "Indemnified Party"), its directors, officer, agents and employees, from and against direct damages, liability, claims, costs, losses, expenses and attorney fees resulting from or attributable to the willful misconduct or gross negligence of the Indemnifying Party that cause bodily injury, death or damage to property during the provision of services pursuant to the Agreement.
- 12. Notices. Except as otherwise provided herein, any notices or demands will be given in writing sent by hand delivery, courier service, facsimile or registered or certified mail, return receipt requested, postage prepaid, to the Customer at the address set forth below and to the applicable BellSouth Company as set forth in Exhibit 1, care of BBS at the address set forth below. All notices under this Agreement that are addressed as provided herein (a) if delivered personally or by courier service, will be deemed given upon delivery, (b) if delivered by facsimile, will be deemed given when confirmed and (c) if delivered by mail in the manner

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described above, will be deemed given on the fifth (5<sup>th</sup>) business day after the day it is sent. Either Party may change its address or respective contact for notification purposes by giving 10 business days' prior written notice to the other of the new address or designee.

Customer:



With a copy to:



#### 13. Default.

13.1.If either Party is in default of any of its obligations under the Master Agreement or its applicable Attachments and fails to cure such Default within thirty (30) days (or within such other cure period described in the applicable Attachment) following written notice from other party of such Default, the other Party may, in addition to all other rights and remedies provided by this Agreement or by law or in equity, terminate the, Order or Attachment, and, if Customer is in Default, the applicable BellSouth Company may declare all sums due or to become due under the applicable Order or Attachment immediately due and payable, and be entitled to recover all collection costs incurred, including reasonable attorneys' fees. This provision does not allow termination of an Attachment which material terms and conditions have not been breached by the defaulting Party.

- 13.2 "Defaults" are defined as (i) a Party's failure to perform a material term or condition contained in this Agreement, including any applicable Attachment or Order, (ii) Customer's false statement or representation for the purpose of obtaining any Equipment or Services, (iii) a Party's insolvency, failure to pay debts as they come due, or if a Party becomes subject to any proceeding initiated against that Party under the Bankruptcy Code or similar laws, which proceeding is not stayed within 60 days, (iv) the breach of any material representation or warranty of the Party or any material misrepresentation made by the Party, or (v) an Event of Default as defined in the Regulated Services Attachment.
- 13.3. In the event that any BellSouth Company is prevented from providing any portion or all of the Equipment or Services to be provided by such BellSouth Company as contemplated in this Agreement by any law, regulation, requirement or ruling issued in any form whatsoever by judicial or other governmental authority (including, without limitation, the Federal Communications Commission), or if a notice from a government agency or department indicates that a BellSouth Company is not permitted to provide any portion or all of the Equipment or Services to be provided hereunder by such BellSouth Company, then, to the extent not prohibited by applicable law or regulation, such BellSouth Company may immediately cease providing the Equipment and Services without any liability to Customer. Nothing herein will be construed to require any BellSouth Company to seek a waiver of any law, rule, regulation, or restriction, or seek judicial review or appeal of any court order.

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- 13.4 The BellSouth Company providing Services and/or Equipment to Customer under an Attachment will not be obligated to perform its obligations thereunder if Customer is in Default of any of its obligations under the applicable Attachment, and may suspend or cancel any outstanding, unfulfilled orders without in any way affecting its rights under this Agreement. If the BellSouth Company elects to continue performing under any Attachment or Order, its actions shall not constitute a waiver of any Default by Customer.
- 13.5 BellSouth shall exercise its best efforts to make available to Customer disaster recovery measures, including but not limited to, redundant circuits, custom controlled reconfiguration, route diversity, or alternate central office interconnection, or other measures as they become available.
- 14. Warranty Disclaimer. UNLESS OTHERWISE SET FORTH IN THIS AGREEMENT, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED (INCLUDING ANY REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), FOR EQUIPMENT FURNISHED OR SERVICES PERFORMED UNDER THIS AGREEMENT, AND BELLSOUTH EXPRESSLY DISCLAIMS SAME.

## 15. Limitation of Liability and Insurance.

15.1 The following limitations of liability represent a material inducement to the Parties to enter into the Agreement and the Attachment(s) at the stated price(s). If additional risks or undertakings were contemplated by BellSouth, they would have been reflected in an increased price(s). In contemplation of the price, Customer acknowledges there is sufficient consideration for the limitation of damages and remedies set forth in the Agreement. NOTWITHSTANDING ANYTHING IN ANY OTHER DOCUMENTS TO THE CONTRARY, NEITHER PARTY OR THEIR UNDERLYING SERVICE PROVIDERS, INFORMATION PROVIDERS, LICENSORS, SUPPLIERS, MANUFACTURERS, EMPLOYEES, OR AGENTS WILL BE LIABLE TO OTHER PARTY (OR TO ANY PERSON CLAIMING RIGHTS DERIVED FROM THE OTHER PARTY RIGHTS) FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, ECONOMIC, OR INDIRECT DAMAGES OF ANY KIND, INCLUDING WITHOUT LIMITATION, LOST PROFITS, LOSS OF BUSINESS, OR DAMAGES AS A RESULT OF THE OPERATION OR MALFUNCTION OF SERVICES, OR DUE TO LOSS OF DATA, TOLL FRAUD OR OTHER UNAUTHORIZED USE, OR LOSS OF USE, INCLUDING INJURY TO PROPERTY, WHETHER ARISING AS A RESULT OF A BREACH OF WARRANTY OR OTHER TERM OF THIS AGREEMENT, OR WHETHER ARISING IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY OR OTHER LEGAL DUTY, PRINCIPLES OF INDEMNITY OR CONTRIBUTION, OR OTHERWISE, WHETHER OR NOT EITHER PARTY HAD NOTICE OF THE POSSIBILITY OF SUCH DAMAGES OCCURRING. BOTH PARTIES EXPRESSLY ACKNOWLEDGE THAT THE PROVISIONS OF THIS SECTION SHALL APPLY TO ALL CONTENT OR OTHER SERVICES AVAILABLE THROUGH THE SERVICES. CUSTOMER AGREES IT WILL NOT IN ANY WAY HOLD BBS OR BELLSOUTH OR ITS UNDERLYING SERVICE PROVIDERS, INFORMATION PROVIDERS, LICENSORS, EMPLOYEES, OR AGENTS RESPONSIBLE FOR ANY SELECTION OR RETENTION OF THIRD PARTIES IN CONNECTION WITH THE SERVICES (INCLUDING THOSE WITH WHOM BELLSOUTH MAY CONTRACT TO OPERATE VARIOUS AREAS OF THE SERVICE).

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- 15.2 This limitation of liability applies with equal force and effect to all subsequent Services performed or Equipment provided by BellSouth.
- 15.3 Unless otherwise agreed to in writing, BellSouth shall, at its own expense, carry and maintain during the performance of Services the insurance coverage in amounts no less than that specified on Exhibit 2. Customer shall be named as an additional insured on all BellSouth insurance policies except the workers' compensation, umbrella liability, and errors & omissions insurance policies. Upon execution of this Agreement, BellSouth shall, or shall have its insurance carrier or carriers, furnish to Customer certificates that all insurance required under this Agreement is in force attached herein as Exhibit 2, such certificates shall stipulate that the insurance will not be canceled while this Agreement is in effect without 30 days' prior written notice to Customer. If BellSouth at any time neglects or refuses to provide or cause to be provided the insurance required herein, or should such insurance be canceled, Customer shall have the right to procure the same and the cost thereof shall be deducted from monies then due or thereafter to become due. BellSouth shall be responsible for, and make good to the satisfaction of Customer, any direct damages for loss of (including theft) or damage to persons or property, to the extent caused by any act or omission of BellSouth, its personnel, employees, agents, representatives, subcontractors or invitees or any breach of this Agreement by BellSouth. BellSouth reserves the right to self-insure the specified insurance coverage under a corporate program of self-insurance. Losses or claims, if any, shall be handled as if actual policies of insurance are in force, per the terms of this Agreement.

## 16. Entire Agreement & Severability.

- between the Parties with respect to the Equipment and Services, and supersedes any and all prior written or verbal proposals, agreements, understandings or other discussions respecting the same. Except as specifically set forth in any applicable Attachments, this Agreement shall not amend currently existing contracts between any BellSouth Company and Customer which terms and conditions remain in effect until such contracts expire or are terminated by either Party. Neither Party will be bound by any provision contained in any purchase order, confirmation, correspondence or other communication from the other Party that is at variance with, in addition to or conflicts with any provision of this Agreement, unless such variance, addition or conflict is specifically identified and agreed to in writing by an authorized representative of each Party, which expressly references the appropriate provision of this Agreement. No agent, employee, or representative of BellSouth or BBS has any authority to bind BellSouth or BBS to any affirmation, representation, or warranty unless the same is specifically set forth in this Agreement or in a written agreement as provided above.
- 16.2 In the event that one or more of the provisions contained in this Agreement or incorporated herein by reference is invalid, illegal or unenforceable in any respect under any applicable statute, regulatory requirement or rule of law, then such provisions will be considered inoperative to the extent of such invalidity, illegality or unenforceability and unless a complete failure of consideration would result therefrom, the entire Agreement will be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the Parties hereto will be construed and enforced accordingly.
- 17. Survival. Any obligations of any Party, which by their terms would continue beyond the termination, cancellation, or expiration of this Agreement or any Attachment, will survive such

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termination, cancellation or expiration. Specifically, the parties' obligations under Section 10 shall extend with regard to all Confidential Information until five (5) years after the expiration or termination of the Master Agreement and shall survive and continue in effect with respect to any Information that is a trade secret under applicable law.

- 18. Disputes. To the extent permissible under applicable law, regulation or tariff, any dispute, controversy or claim arising under, out of, in connection with or in relation to this Agreement, or the breach, termination, validity or enforceability of any provision hereof (a "dispute"), if not resolved informally through negotiation between the Parties, will be submitted to non-binding mediation. The Parties will mutually determine who the mediator will be from a list of mediators obtained from the American Arbitration Association office located in the city determined as set forth below in this Section (the "AAA"). If the Parties are unable to agree on the mediator, the mediator will be selected by the AAA. To the extent permissible under applicable law, regulation or tariff, if any dispute is not resolved through mediation, it will be resolved by final and binding arbitration conducted in accordance with and subject to the Commercial Arbitration Rules of the AAA then applicable. Any arbitration pursuant to this Agreement must be commenced within one (1) year after the dispute has arisen. One arbitrator will be selected in accordance with such rules, and the arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost-effective resolution of disputes. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the award and an enforcement, as the law of such jurisdiction may require or allow. Any negotiation, mediation or arbitration conducted pursuant to this Section will take place in Atlanta, Georgia. Other than those matters involving injunctive relief or any action necessary to enforce the award of the arbitrator, the Parties agree that the provisions of this Section are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any dispute or the performance or provision of the Services and Equipment by the relevant BellSouth Company. Nothing in this Section prevents the Parties from exercising their right to terminate this Agreement in accordance with the terms hereof; provided, any other provision of this Agreement notwithstanding, BellSouth shall not discontinue, suspend or terminate, during the pendency of any arbitration, any Services ordered by Customer that are the subject of such arbitration.
  - 19. Excused Delay/Performance. BellSouth will be excused from performance and will not be liable for any delay or damage caused, in whole or in part, by any occurrence ("Force Majeure") beyond the reasonable control either of the relevant BellSouth Company or of its subcontractors or suppliers. Such contingencies include acts or omissions of any acts of war and terrorism, civil disobedience, embargoes, delay in transportation, failure by suppliers to deliver equipment, governmental action, acts of any third party (not caused by BellSouth), labor disputes, strikes, or other concerted acts of workers (whether of BellSouth or others), casualties or accidents, fire, explosion, flood, severe weather or other acts of God, power failure, shortage of labor or materials, or discovery of asbestos or other hazardous substance or any other causes or circumstances whether of a similar or dissimilar nature to the foregoing, which prevent or hinder the delivery of the Services or Equipment. The relevant BellSouth Company may delay performance hereunder for so long as such performance is delayed by such occurrence or occurrences, and in such event such BellSouth Company will have no liability to Customer. Any other provision of this Agreement notwithstanding, Customer (i) has no obligation to pay for any Service or Equipment that is suspended or unavailable for use by Customer during the period of such Force Majeure, unless and until such time as the Service or Equipment is no longer suspended or unavailable for use by Customer; (ii) may terminate

such Service or Equipment if such Service or Equipment is affected by such Force Majeure for a period of two (2) months or longer.

- 20. Waiver. No failure on the part of either Party to exercise any right or remedy arising directly or indirectly under this Agreement will operate as a waiver of any right or remedy it may have, nor will an exercise of any right or remedy by either Party preclude any right or remedy otherwise available to such Party.
- 21. Nonsolicitation. Throughout the term of this Agreement and for twelve (12) months thereafter, Customer shall not employ, or attempt to employ, any person, that to Customer's knowledge, is one of BellSouth's current or former employees with whom Customer has direct contact in connection with the performance of this Agreement. The parties agree and acknowledge that employment advertisements made to the general public shall not constitute solicitation under this provision.
- 22. Governing Law. To the extent permissible under applicable law, regulation or tariff, this Agreement, including the Exhibits and Attachments will be governed by the laws of the State of Georgia, without regard to its conflict of law provisions.
- 23. No Joint Venture. Nothing in this Agreement shall be construed as creating a joint venture or partnership between the Parties. Other than as set forth in this Agreement, neither Party has or shall have any authority to bind, assume any obligation for, or incur any debt on behalf of, the other Party. Nothing in this Agreement shall be construed as preventing Customer from entering into agreement(s) with other carrier(s) or vendor(s) for the provision of services which are the same or similar to the Services.
- 24. Remedies Cumulative and Non-Exclusive. Unless otherwise expressly limited or excluded herein, all remedies provided in this Agreement are cumulative and non-exclusive, and are in addition to all other remedies, including without limitation, any actions for damages, available at law or in equity.
- 25. No Third Party Beneficiaries. This Agreement does not create a beneficial interest for any third party and, except in the case of a permitted assignment, the Agreement's rights and benefits do not extend to any third party, unless expressly stated in this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed through its duly authorized representatives as of the date(s) below.

Customer:	BellSouth: By: BellSouth Business Systems, Inc., on behalf of those BellSouth Companies Identified on
Ву:	Exhibit 1 By: Eq
Printed Name:	Printed Name: FREORICK K. SHARMAN  Title: PRESIDENT - BEU Sound Business
Title: <u>sup</u> Date: March 22, 2002	Date: MARCH 22, 2002
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## EXHIBIT 1

## LIST OF BELLSOUTH COMPANIES

BellSouth BSE, Inc.
BellSouth Communication Systems, L.L.C.
BellSouth MNS, Inc.
BellSouth Telecommunications, Inc.

## ADDRESS:

BellSouth Business Systems, Inc. Attn: Vice President and General Manager 2180 Lake Boulevard Atlanta, Georgia 30319

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# EXHIBIT 2 INSURANCE PROVISIONS

Unless otherwise agreed to in writing, BellSouth will, at its own expense, carry and maintain during the performance of Services the insurance coverage with companies satisfactory to Customer and in amounts no less than that specified for each type specified below. To the extent subcontractors may be utilized by BellSouth under the terms of this Agreement, BellSouth will cause such subcontractors also to carry insurance coverage with companies satisfactory to Customer and in amounts no less than that specified for each type:

(i) Workers	'Compensation	Limits
-------------	---------------	--------

Workers' Compensation	Statutory
Employer's Liability	\$500,000.00
Each Accident	\$500,000.00
Policy Limit - Disease	\$500,000.00
Each Employee - Disease	\$500,000.00

## (ii) Commercial General Liability

Occurrence from including premises and operations coverage, coverage for independent contractors, personal injury liability and blanket contractual liability:

General Aggregate		\$3,000,000
Each Occurrence		\$1,000,000

(iii) Automotive Liability

Combined Single Limits \$2,000,000

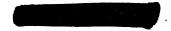
(iv) Umbrella Insurance

Combined Single Limit \$3,000,000

(v) Errors and Omissions \$2,000,000



## Regulated Services Attachment



This attachment ("Attachment") supplements the terms and conditions of the BellSouth<sup>SM</sup> Business Master Services Agreement No. GA01-B467-00 ("Master Agreement") between Customer and the BellSouth Companies and applies to Orders for the purchase of regulated services ("Regulated Services") from BellSouth Telecommunications, Inc. ("BST"). The Master Agreement and this Attachment (collectively, the "BST Regulated Provisions") are or may be, a Contract Service Arrangement ("CSA") with respect to BellSouth Regulated Services. No other Attachment constitutes any portion of any CSA.

#### A. SERVICES

## 1. Regulatory and Other Contractual Considerations.

- 1.1 Customer recognizes and agrees that the BST Regulated Provisions are subject to and controlled by BST's tariffs including, but not limited to, the General Subscriber Services Tariff and the Private Line Services Tariff and all such revisions to said tariffs as may be made from time to time, and are not intended to replace or supersede existing tariffs, and is entered into pursuant to the authority set forth in BST's General Subscriber Services Tariff Section A.5.6 and the Private Line Services Tariff Section B.5.7. All Regulated Services will be purchased in accordance with the terms of the BST Regulated Provisions, and, to the extent not in conflict with the BST Regulated Provisions, with such approved tariffs in effect in each state. The rates, charges and provisions of such tariffs applicable to the Regulated Services and as reduced by the applicable Discount Level, will apply unless and except to the extent the BST Regulated Provisions contain rates, charges and provisions in conflict therewith (in which case the rates, charges, and provisions of the BST Regulated Provisions will control.) BST agrees Customer will be provided any appropriate tariff decreases for any rate element. BST hereby waives the right, and covenants not to seek, to enforce or to assert as a defense to any claim by Customer hereunder, any inconsistency between the terms of the BST Regulated Provisions and any BST tariff.
- 1.2 Customer acknowledges that BST may be required in certain states to file and obtain approval of the BST Regulated Provisions when used in conjunction with a CSA or Special Service Arrangement ("SSA") prior to the implementation of the contents of this Attachment. BST agrees to begin any necessary filings within thirty (30) calendar days after the Effective Date of this Attachment. In the event the BST Regulated Provisions are denied by a regulatory agency in any state or by another regulatory body with jurisdiction over this matter (collectively, "PSC"), this Attachment and any CSA or SSA shall be null and void and of no effect in that state, but such denial will not affect the BST Regulated Provisions in any other state. Upon such denial, the Parties shall promptly reduce the Annual Revenue Commitment by the proportionate amount of Customer's charges that is attributed to any state that denies the Attachment.

#### 1.3 Consistency of Agreement.

1.3.1 No Voluntary Initiation. During the Term and any renewal hereof, BST shall not unilaterally initiate the filing of any tariff to supersede, or attempt in any other manner to

materially alter, revoke or amend, in whole or in part, this Attachment or any term or condition hereof or thereof; provided however, in the event BellSouth is ordered to do so by a PSC, it shall strictly comply with the following provisions of this Section 1.3.

- 1.3.2 Limits on Changes. If any PSC requires this Attachment to be amended, replaced or altered (such amendments, replacement or alterations collectively referred to herein as "Changes"), BST shall: (i) limit such Changes to the specific provisions that the PSC has ordered be changed; and (ii) make only those Changes necessary to satisfy the requirements of the PSC that ordered the changes.
- 1.3.3 Review by Customer. BST shall give Customer notice with regard to any action directly affecting this Attachment (including any proposed Changes hereto) proposed by BellSouth to comply with any orders of PSCs.

## 2. Order Attachment(s).

- Attachment attached hereto as Appendix 1, at either (i) the recurring and non-recurring rates and charges agreed to by the Parties in accordance with the terms and conditions described in the applicable tariffs and Order Attachment or (ii) as otherwise agreed to by the Parties in writing in accordance with the terms and conditions described herein and in the Master Agreement. Customer may order additional existing or new services by submitting an appropriate Order Attachment properly authorized and submitted in accordance with BST's procedures. BST may reject an Order Attachment only if Customer's requested order is materially inconsistent with this Attachment or the requested installation date for the order is unacceptable, as reasonably determined by BST. Rates for additional and/or new services will be in accordance with the applicable tariff rates in effect at the time the Order Attachment is accepted by BST or as otherwise stated in the appropriate Order Attachment. Customer agrees to pay all undisputed Charges for the Regulated Services included in all Order Attachments. Customer may withhold any amounts disputed in good faith until the resolution of such dispute.
- 2.2 Customer shall make a separate claim in writing, with reasonable support, for any credit for erroneously billed rates, Charges, Discounts, termination charges or other reasonable credit to which Customer believes itself to be entitled, and BST shall promptly address and resolve each such claim. The Parties shall each promptly appoint a duly authorized representative to address such disputes, and shall each exercise good faith efforts to promptly resolve any and all such claims. BST may neither suspend the provision of Service, nor terminate this Agreement during the pendency of any such dispute. If, their mutual good faith efforts notwithstanding, the Parties are unable to resolve any payment dispute within sixty (60) calendar days following Customer's written notice made pursuant to this Section 2.2, then the matter will be submitted to binding arbitration in accordance with the Master Agreement.
- 2.3 BST covenants to timely complete installation of Regulated Services at the Sites no later than the applicable installation date set forth in any accepted Order Attachments, or as otherwise agreed between the Parties, as the case may be. Upon BST's failure to timely complete any installation by the specified installation date or by the date otherwise agreed between the Parties and such failure is due to circumstances that were within BellSouth's reasonable control, Customer will have the right, but not the obligation, as its sole remedy for such failure, to terminate the installation of the Service without liability to BellSouth, including no liability for termination charges or similar charges by BST, with respect to the uninstalled Service at that Site.

Installation at a Site is not deemed complete hereunder until the requirements of Section 4.2 are met.

- 2.3.1 Waiver of Non-recurring Charges. BST waives all non-recurring charges for installation for Centrex, Primary Rate ISDN and Megalink Regulated Services pursuant to duly filed CSAs for such Regulated Services.
- 2.3.2 Sites. Customer, at its sole option and discretion, may substitute, delete, change or add Sites at any time during the Term or any renewal hereof through submission of an Order Attachment. Customer will be charged for such changes, substitutions, deletions or addition (collectively, "Changes") at the lesser of (i) BST's then current pricing for such Changes, (ii) the non-recurring rates (if any) set forth for the applicable Changes in the CSAs, or (iii) BST tariffed rates for such Changes, reduced by the Discounts.

#### 3. Cancellation.

- 3.1 If Customer cancels a Regulated Service ordered pursuant to an Order Attachment prior to the completed installation of the Regulated Service, but after the execution of the Order Attachment, the installation of which has not been delayed as a result of any action or inaction within the reasonable control of BST, Customer will pay all demonstrable, out-of-pocket costs actually incurred by BST in the implementation of the cancelled Regulated Service, not to exceed any applicable order cancellation charges in any BST tariff.
- 3.2 Except as set forth in Section 16, if Customer terminates a Regulated Service ordered pursuant to an Order Attachment at any time prior to the expiration of the Regulated Service period set forth in the appropriate Order Attachment, Customer will, unless otherwise specified, pay all reasonable charges due or remaining as a result of the minimum service period agreed to by BST and Customer in the Order Attachment(s) ("Termination Charges"). In no event will such Termination Charges exceed the prorated termination charges in the applicable tariff.
- 3.3 Customer acknowledges it has options for its telecommunications services from service providers other than BST and it has chosen BST to provide the Regulated Services specified in each Order Attachment. Customer, therefore, agrees that in the event it terminates Regulated Services provided pursuant to an Order Attachment for a CSA or SSA, Customer will pay Termination Charges, in accordance with the provisions in this Agreement, except where a certified reseller of BST local service resells this Attachment to Customer and agrees in writing to assume all of Customer's obligations to BST under this Attachment.

#### 4. Service Period.

- 4.1 The Service Period for Regulated Services ordered under an Order Attachment shall be as specified in the applicable Order Attachment and shall commence the date that the installation of Regulated Service is completed.
- 4,2 BST shall install only those Services that have been tested in accordance with BST's standard testing procedures and which operate in compliance with the specifications in any applicable BST tariff.
- 4.3 At the expiration of the Service Period for any Regulated Service Customer may continue the Regulated Service at the month-to-month rate currently in effect under applicable BST tariffs. At the expiration of the Service Period or any renewal thereof for any CSA or SSA,

Customer may convert to an available tariff offering for the specific service or may request a new CSA or SSA.

## B. VOLUME AND TERM PROVISIONS.

- 5. Definitions. As used in this Attachment, the following words or phrases have the following meanings. If not otherwise defined herein, all capitalized words and phrases have the meaning set forth elsewhere in the Master Agreement.
- 5.1 "Annual Revenue Commitment" the minimum commitment for undiscounted Charges made by BST to the Customer for each Contract Year for all Regulated Services, the initial amount of which is set forth in Appendix 2, as amended from time to time.
- 5.2 "Baseline" in Contract Year 1, the estimated annualized billing to Customer for all Regulated Services during each Contract Year, prior to the application of any Discount which billing is used to calculate the Annual Revenue Commitment. The Baseline calculation for Contract Year 1 is provided in Appendix 3 to this Attachment. Baseline in subsequent years is the actual aggregate billing for each of the previous Contract Years, prior to the application of any Discount.
  - 5.3 "Charges" BellSouth's charge(s) to Customer for Regulated Services.
- 5.4 "Higher Order of Service" new technological features and capabilities offered to Customer by BST that will provide additional value to Customer with higher functionality and increased capacity.
- 5.5 "Contract Year" each consecutive twelve (12)-month period of the Term beginning on the Effective Date.
- 5.6 "CSA" is a Contract Service Arrangement as defined in BST's General Subscriber Services Tariff and the Private Line Services Tariff for each state in the BST region.
- 5.7 "Discount" or "Discount Level" the percentage reduction applied to the monthly billed Charges for the BST Regulated Services that are Discount Eligible and for which billing has occurred or will occur during the current billing period.
- 5.8 "Discount Eligible Services" all BST local and intraLATA Regulated Services purchased by Customer that are to be reduced by a percentage reduction off the existing monthly billed Charges. The Discount Eligible Services are listed in Appendix 2 to this Attachment.
  - 5.9 "Effective Date" is defined in Section 22 of this Attachment.
  - 5.10 "Event of Default" an event set forth in Section 17.1 hereof.
  - 5.11 "Expiration Date" the date on which the term of this Attachment expires.
- 5.12 "Material Adverse Effect" any change, event or effect (other than a Force Majeure event) that having occurred or having been threatened and, when taken together with all other adverse changes, events or effects that have occurred or have been threatened, is or is reasonably likely to prevent or substantially delay a party from receiving or exercising any of its rights or benefits under this Agreement.

- 5.13 "Other Customer" means any other commercial (non-carrier) customer of BST purchasing services similar to the Regulated Services with a revenue commitment equal to or less than the Annual Revenue Commitment.
- 5.14 "Service Element" a specific circuit or Regulated Service component at a specific Site.
  - 5.15 "Sites" Customers' locations where BellSouth will provide Regulated Services.
- 5.16 "Term" the number of Contract Years or the number of months the Volume and Term provisions of this Attachment are effective. The Term of this Attachment is 3 Contract Years.
- 5.17 "V&T Eligible Services" all Regulated Services purchased by Customer, the annual billing for which is used to calculate Baseline under this Attachment. Non-recurring charges, taxes, and publicly imposed surcharges are not used to calculate the Baseline and are not considered V&T Eligible.

#### 6. Annual Revenue Commitment

- 6.1 Customer and BST agree to an Annual Revenue Commitment in the first Contract Year of this Attachment of \$10,381,000.00. The Parties acknowledge that the Annual Revenue Commitment in the first Contract Year represents ninety percent (90%) of Customer's estimated Baseline billing, measured in pre-discounted billed dollars.
- 6.2 Customer and BST agree that all recurring charges for V&T Eligible Services billed by BST to Customer during each Contract Year of this Attachment will be applied toward the Annual Revenue Commitment. Customer's progress toward meeting the Annual Revenue Commitment will be tracked by BST and measured in pre-discounted billed dollars. At no additional cost to Customer, BST agrees to provide Customer with standard monthly Annual Revenue Commitment tracking reports.
- 6.3 Customer and BST agree to determine Customer's Annual Revenue Commitment at the beginning of each Contract Year. The Annual Revenue Commitment for each Contract Year will be ninety percent (90%) of the Baseline billing for the previous Contract Year.
- 6.4 In the event of a Business Change, Technology Upgrade, or Tariff Change, as defined herein, the Annual Revenue Commitment will be reduced, retroactive to the applicable effective date of any of the foregoing, during the V&T Annual True-Up by the amount of the adjustment made in Sections 12, 13 and 14 respectively.

#### 7. Discount Level

- 7.1 BST will apply the Discount set forth in Appendix 2 to all Charges incurred for Discount Eligible Services after the Effective Date.
- 7.2 Charges billed pursuant to the Federal or State Access Services tariffs, billing for taxes or publicly imposed surcharges, including but not limited to, the surcharges for 911 or dual party relay services, Local Usage, CSAs, SSAs, WATSSaver, and End User Common Line

Charges, are not eligible for the application of the Discount.

- 7.3 Charges billed pursuant to services discounted through other BST promotions or offers are not eligible for the application of the Discount.
- 7.4 Charges billed for V&T Eligible Services for which Customer has not paid after notice of delinquency and opportunity to cure will not be counted toward the Annual Revenue Commitment, or toward the amounts set forth in **Exhibit 2**, for purposes of determining a Discount Level attained by Customer.
- 7.5 Customer and BST will be jointly responsible for the identification of Customer accounts with V&T Eligible Services. Customer and BST agree that BST will not be responsible for failure to apply a Discount to a V&T Eligible Service if such failure results from Customer's failure to identify the relevant account. Additional V&T Eligible Service accounts may be added only by mutual agreement of the Parties.
- 8. Annual Growth Incentive Award ("AGIA"). If Customer exceeds its Baseline by more than five percent (5%) during any Contract Year, Customer will receive an AGIA credit. The AGIA will equal ten percent (10%) of the billed Charges for V&T Eligible Services, less the current Contract Year's Baseline. The AGIA, not to exceed \$125,000.00, will be calculated and applied at the time of the V&T Annual True-Up. AGIA credits resulting from Annual True-Up will be applied within thirty (30) days of the completion of Annual True-Up.
- Commitment Shortfall. Customer agrees if it fails to meet its Annual Revenue Commitment during a given Contract Year, except as provided in Sections 12, 13, and 14, to the extent permitted by applicable law and regulation, BST will bill and Customer agrees to pay the difference between the actual undiscounted billed Charges for the current Contract Year and its Annual Revenue Commitment for such Contract Year ("Commitment Shortfall"). Customer will have the option to carry forward to the following Contract Year the Commitment Shortfall. The Annual Revenue Commitment for the Contract Year to which the Commitment Shortfall is carried will be increased by the amount of the Commitment Shortfall carried forward. Customer agrees that if it fails to meet the sum of the Annual Revenue Commitments for each Contract Year by the end of the Term, Customer will pay the difference between (i) the actual undiscounted Charges billed for the Term and (ii) the sum of the Annual Revenue Commitments. The Parties agree that Customer's failure to meet its Annual Revenue Commitment is not an Event of Default under this Agreement.
- 10. Provision for Discounting Additional and New Services. For purposes of this Attachment an "Additional Service" is an intraLATA service that is tariffed by BST on the Effective Date of this Attachment and is not considered a Discount Eligible Service. A "New Service" is an intraLATA service that has been tariffed by BST after the Effective Date of this Attachment. Customer may submit a request to BST (not to be unreasonably withheld) to obtain a Discount on an Additional or New Service under this Attachment and that all billing be applied towards the retirement of the Annual Revenue Commitment. BST shall advise Customer within 30 calendar days of receipt of regulatory approval if the request will be fulfilled.
- 11. Acquisition of New Businesses. In the event Customer acquires a new business or operation within the BST service area during the term of this Attachment, the services at these locations will be included as Discount Eligible Services under this Attachment, upon receipt of any required regulatory approvals, and BST and Customer will amend this Attachment, including the Annual Revenue Commitment level in Appendix 2, as appropriate to include such services. The

V&T Eligible Services from the acquired business shall be used to retire the Annual Revenue Commitment. If services are included pursuant to this Section, BST shall include such services in this Attachment retroactive to the closing date of the acquisition. Any revisions due to acquisition will be made during the V&T Annual True-Up at the end of the year in which the acquisition occurred, and will affect the Annual Revenue Commitment for future years. V&T Eligible Services included in this Attachment as the result of an acquisition will be used in the calculation of an AGIA in the Contract Year in which the acquisition occurred.

12. Business Change. In the event of an organizational change, a divestiture of a significant part of Customer's business (including a sale of one or more of Customer's Affiliates or operating divisions or elimination of product lines or areas of geographic coverage), a business downturn beyond Customer's control (including, without limitation, changes in the U.S. economy or the U.S. financial industry), or a decision by Customer to close or consolidate locations that is based on events beyond the Customer's reasonable control, (collectively, "Business Change"), any of which reduces the volume of network services required by Customer, with the result that Customer is unable to meet its Annual Revenue Commitment under this Attachment, then, during the Annual True-Up, BST shall reduce Customer's Annual Revenue Commitment for the Contract Year and any renewal term, based on, as applicable, either (i) Customer's average monthly charges for Regulated Services or (ii) the divested Affiliate's or operating division's average monthly charges for Regulated Services, in either case measured by the average of the three (3) full calendar months immediately preceding the Business Change. The revised Annual Revenue Commitment will (i) become effective as of the first calendar day of the first calendar month immediately following the calendar month during which the Business Change occurs, and (ii) replace the original Annual Revenue Commitment under this Agreement. This provision does not apply to a change resulting from a decision by Customer: (i) to reduce its overall use of telecommunications; or (ii) to transfer portions of its traffic or projected growth to providers other than BST. Customer must provide BST written notice of the conditions it believes will require the application of this provision and shall describe such conditions with particularity. This provision does not constitute a waiver of any Charges, including any Commitment Shortfall, incurred by Customer prior to the time the Parties mutually agree to amend this Attachment. This provision does not affect the application of termination charges pursuant to the tariff except as otherwise provided in Section 16 hereof.

## 13. Technology Upgrade.

- 13.1 Service Replacement. BST shall give Customer written notice of any Higher Order of Service within a reasonable time after they become available. Customer may, at its sole option and discretion, elect, in writing, to replace any or all of the Regulated Services with Higher Order of Service at rates no less favorable than the least of (i) BST's tariff rates for the Higher Order of Service (reduced by the Discount), or (ii) such other rates as may be mutually agreed upon between the Parties. Upon Customer's election of this option and any required regulatory approval, said Higher Order of Service shall be deemed Discount Eligible Services, and BST shall:
- 13.1.1. Promptly replace the rates for the replaced Regulated Services with the applicable rates for Higher Order of Service;
- 13.1.2 Adjust Customer's Annual Revenue Commitment downward as a result of such upgrade to a Higher Order of Service; and

13.1.3 Waive any and all non-recurring charges for such upgrades to a Higher Order of Service; provided, however, that if such Service does not remain in place for more than 12 months, such non-recurring charges will be billed to the Customer at the time the Regulated Service is terminated.

Notwithstanding any other provision hereof, Customer shall not be liable for any termination charges, Commitment Shortfall charges or other similar Charges made by BST pursuant to this Agreement, to any tariff or any other agreement or instrument whatsoever, by virtue of replacing any or all Regulated Services with Higher Order of Service. Furthermore, BST warrants that all such Higher Orders of Service shall comply with the specifications in any applicable BST tariff.

- 13.3 Review. In accordance with BST's customary practices, BST agrees to analyze Customer's use of the Regulated Services at least annually and promptly thereafter make recommendations to Customer with respect to any and all upgrades to a Higher Order of Servicethat are generally available that may optimize the efficiency, cost effectiveness and operation of the Regulated Services. BST shall implement the upgrades to a Higher Order of Servicebased on such recommendations promptly upon Customer's written request in accordance with an implementation schedule mutually agreed to between Customer and BST.
- 13.4 Audit. If any audit conducted by Customer (at its own expense) reveals that an upgrade to a Higher Order of Service would decrease Customer's monthly Charges by more than ten percent (10%), BST shall (i) reduce Customer's Annual Revenue Commitment for the Contract Year and any renewal term to reflect the revised Charges for the upgrade to a Higher Order of Service, and (ii) waive any non-recurring charges for reconfiguring the network to effect the update to Higher Order of Service. The revised Annual Revenue Commitment will become effective as of the first calendar day of the first calendar month immediately following the calendar month during which the upgrade to a Higher Order of Service occurs, and will replace the original Annual Revenue Commitment under this Agreement.
- 14. Tariff Changes. If during the term of this Attachment, BST requests and receives regulatory approval for price reductions on tariff services purchased by Customer and such price reductions cause Customer to be unable to meet its Annual Revenue Commitment under this Attachment, then subject to applicable regulatory requirements, BST agrees to reduce Customer's Annual Revenue Commitment to the extent of the shortfall resulting from the price reduction(s). In the event that there is an increase in the tariff rates and such increase materially affects the projected benefits to Customer included in this Attachment, BST and Customer agree to negotiate mutually acceptable adjustments to the rates and terms of this Attachment. BST and Customer agree that in the event that the tariffs pursuant to which BST offers the Regulated Services included in this Attachment are declared null and void, this Attachment shall be deemed null and void. BST shall continue to work with Customer to pursue service proposals that are consistent with the original intent of this Attachment and comply with applicable legal and regulatory requirements.

#### 15. Annual True-Up.

15.1 Within 90 days of the end of each Contract Year, BST will conduct a review of Customer's Charges for Regulated Services to determine if Customer achieved its Annual Revenue Commitment ("Annual True-Up"). During the Annual True-Up, BST will calculate any Commitment Shortfall in accordance with Section 9 and determine Customer's Baseline billing for the following year in accordance with Section 5.2. During the Annual True-Up, BST may also propose any adjustments to the Annual Revenue Commitment. During the Annual True-Up,

BST and Customer will calculate the Annual Revenue Commitment for the new Contract Year in accordance with Section 6.

15.2 Customer and BST agree that any credit resulting from the Annual True-Up will be promptly applied as a credit on the BST bill for Regulated Services. Further, any debit resulting from the Annual True-Up for failure to meet the Annual Revenue Commitment, unless the Customer elects to carry over such Commitment Shortfall in accordance with Section 9, or Termination Liability will be billed directly to Customer promptly in an invoice. Customer shall pay such invoice in accordance with the provisions of the Master Agreement.

## 16. Termination Liability.

- 16.1 If Customer desires to terminate this Attachment prior to its expiration, Customer must provide written notice of such termination 60 days prior to the effective date of termination. Except in the event of the application of Section 16.4 below, BST will bill Customer the following termination charges:
  - (a) The amount of Discounts received for the life of this Agreement or for the previous 12 months, whichever is less, and
  - (b) The prorated portion of the Agreement implementation and tracking costs, calculated as follows:

Prorated Implementation and Tracking Costs = \$102,666.00 X (Contract Months Remaining / Total Contract Months).

- 16.2 Except as set forth in this Section 16, the application of termination charges pursuant to this section shall not affect the application of termination charges pursuant to the tariff or any other agreement.
  - 16.2 Notwithstanding the forgoing, the parties agree that:
  - (a) Except for SmartRing and SmartPath Regulated Services and subject to the condition that Customer's actual undiscounted annual Charges are equal to or greater than \$1,348, 132 ("Termination Minimum"), representing ninety percent (90%) of the annualized monthly Charges for the Regulated Services shown on Appendix 4 to this Regulated Services Attachment ("Appendix 4") during the Term, then:

Customer may disconnect Regulated Services in any combination representing up to ten percent (10%) of the actual, undiscounted recurring Charges for the Regulated Services listed on Appendix 4 hereto without incurring termination liability of any kind, whether under tariff, this Attachment or any other agreement whatsoever. Customer agrees that if such Charges are less than the Termination Minimum, termination charges will be billed in accordance with the tariff for any disconnected Regulated Services, the recurring Charges for which exceed said ten percent (10%).

(b) The revenues for the services listed in Appendix 4 will be reviewed by BST during the Annual True Up, as set forth in Section 15 of the Attachment, to determine if the Termination Minimum is being maintained and to make any necessary billing adjustments. Failure to perform this review within twelve (12) months after the end of

each Contract Year shall be considered a waiver of this provision. Should the review reveal that the Customer has exceeded the Termination Minimum, BST will bill the termination liability charges as specified in each of the tariffs for any disconnected Regulated Services for the amount of Regulated Services disconnected that exceed 10%.

- 16.3 Transitional Support. In the event Customer elects early termination of this Agreement by reason of BST's Default of its obligations, BST covenants to fully cooperate in effecting an orderly and efficient transition of any Regulated Services to third party services chosen by Customer in its sole discretion, including the continued provision of Regulated Services to Customer at the rates and Discounts provided hereunder for a period of up to four (4) months following the date of termination or discontinuance, until such conversion is completed. During any such transition, BST warrants that the level and quality of the Regulated Services will not be degraded and that it shall exercise best efforts to effect an orderly and efficient transition.
- 16.4 Termination by Customer Without Liability. Any other provision of this Agreement to the contrary notwithstanding, Customer may, but shall not be obligated to, terminate this Agreement and any Service Elements, in whole or in part, upon sixty (60) days' advance written notice to BST, without liability of any kind, including without limitation, Commitment Shortfall charges, termination charges or other similar charges made by BST pursuant to this Agreement, to any tariffs or to any other agreement or instrument, in the event of BST's Default of its obligations under this Agreement or Customer's satisfaction of the sum of its Annual Revenue Commitments for the Term.
- 16.5 Partial Discontinuance Without Liability. Customer may discontinue the purchase of any Service Element as a result of Chronic Interruptions (as defined below) at any time, upon thirty (30) days' prior written notice to BST and BST's failure to cure within thirty (30) days from receiving such notice, without liability of any kind, including, without limitation, any Commitment Shortfall charges, termination charges, or other similar charges made by BST pursuant to this Agreement, any tariff or any other agreement or instrument. If Customer discontinues purchase of a Service Element having Chronic Interruptions and does not replace such Service Element with substitute service from BST, the Annual Revenue Commitment for the remainder of the Term and any renewal thereof shall be automatically reduced, effective as of the date Customer discontinues purchase of a Service Element, by an amount equal to the average, actual monthly Charges for the discontinued Service Element measured over the last three (3) billing months prior to the discontinuation times the number of months remaining in the Service Period for such Service Element. A Service Element shall be deemed to undergo "Chronic Interruptions" upon the occurrence either of the following service interruptions of a Service Element that have a materially negative effect on a critical business function of Customer and are due to circumstances within BellSouth's reasonable control: (i) three (3) interruptions of said Service Element or (ii) cumulative service interruptions (in the aggregate) of said Service Element of twenty-four (24) or more hours, within any three (3) calendar months of the Term or any renewal thereof.

#### 17. Default and Remedies.

17.1 Events of Default. Upon ten (10) days' prior written notice either Party may terminate this Agreement or any Order Attachments issued hereunder, in whole or in part, without cost or liability to the terminating Party, or may exercise any other right or remedy available to it, upon the occurrence of an Event of Default by the other, as hereinafter described, provided, however, that the non-defaulting Party seeking termination shall have previously given the other Party prior written notice of such Event of Default and forty-five (45) days to cure.

17.1.1 Default by BST. An Event of Default shall have occurred with respect to BST if:

- 17.1.1.1 A Default, as described in Section 13.2 of the Master Agreement shall have occurred either with respect to BST's operations, actions or failure to act; or
- 17.1.1.2 Customer has exercised it right of partial discontinuance pursuant to Section 16.5 with respect to eight (8) or more Service Elements within any period of six (6) consecutive calendar months.
- 17.1.2 Default by Customer. An Event of Default shall have occurred with respect to Customer if:
- 17.1.2.1 A Default, as described in Section 13.2 of the Master Agreement shall have occurred with respect to Customer's operations, actions or failure to act.
- 18. Interruptions and Credits. Except where caused by negligence of Customer or failure of facilities furnished by the Customer, Customer, in addition to all other remedies, shall be entitled to interruption credits as set forth in applicable BST tariffs for any and all interruptions of Regulated Services. Customer agrees to promptly release any affected circuits for testing and maintenance upon BST's reasonable request.

## 19. Representations, Warranties and Covenants

- 19.1 BellSouth represents, warrants, and covenants that:
- (a) <u>Compliance with Laws</u>. The provision of Regulated Services hereunder and under the BST tariffs is, and shall be throughout the Term and any renewal hereof, in full compliance with all applicable laws, including without limitation all applicable rules, regulations and policies of all regulatory authorities, except where such non-compliance would not have a Material Adverse Effect on the Parties' obligations, performance, rights and benefits under this Attachment. The rates applicable hereunder recover BST's costs, meet applicable standards of rate regulation, and are otherwise in full compliance with all applicable review standards issued by all regulatory authorities.
- (b) Compliance with Tariff. The Regulated Services shall continuously operate in accordance with the specifications set forth in the applicable tariffs, throughout the Term and any renewal hereof. BST shall, at mutually agreed upon intervals, make reasonable efforts to provide Customer with all reports, test results, and other documentation necessary to demonstrate the continuous operation of the Regulated Service in accordance with the specifications of the applicable tariff. If BST's stated test procedures or Customer's own audit(s) establish that an installed line, circuit, system or other Service Element(s) does not perform in accordance with the specifications in the applicable tariff, then BST shall (i) promptly commence and diligently pursue efforts to correct such Deficiency and (ii) Customer shall be entitled to interruption credits in accordance with the applicable tariff until such Deficiency has been corrected. "Deficiency," for purposes of this Agreement, shall mean the failure of any Regulated Service to conform to the specifications in the applicable tariffs.

- (c) Non-Suspension of Services. Except by mutual agreement of the parties or by reason of an Event of Default by Customer (subject to Section 13 of the Master Agreement), BST shall not suspend or cancel Regulated Services to any Site during the Term and any of this Attachment; provided, however, this provision shall not apply to interruptions scheduled by BST with Customer in advance for testing purposes, BST's excused delay in Section 19 of the Master Agreement, suspension or cancellation in accordance with a resolved dispute under Section 18 of the Master Agreement, or BST's actions to comply with applicable law. This provision shall survive the termination of this Agreement.
- (d) Legal Authority and Enforceability. (i) The execution, delivery and performance of this Attachment (together with regulatory filings related thereto), and any collateral agreements related thereto, and the consummation of all transactions contemplated hereby, have been duly authorized by all requisite corporate action; (ii) this Attachment and all other agreements and obligations entered into, and undertaken in connection with, the transactions contemplated hereby to which BST is a party, constitute the valid and legally binding obligations of BST, enforceable against BST in accordance with their respective terms; (iii) the execution, delivery and performance by BST of this Attachment and the agreements provided for herein (together with any regulatory filings related thereto), and the consummation of the transactions contemplated hereby and thereby, do not, (x) violate the provisions of any law, rule or regulation applicable to BST, (y) violate any judgment, decree, order or award of any court, or regulatory authority binding upon BST, or (z) conflict with or violate the terms of any other agreement by which BST or its property is bound.
- (e) Waiver of Rights. BST waives and relinquishes, to the maximum extent permitted by law, any and all rights it has or may have at any time during the Term and any renewal hereof, at law or in equity, to raise or assert in any manner, at any time, in any forum, action or proceeding, the "filed rate doctrine" or any similar argument for the purpose of challenging or contesting the validity or enforceability of this Attachment, all amendments and modifications hereto, the provision of Regulated Services hereunder, or the rates and Discounts set forth herein.

## 19.2 Customer represents, warrants, and covenants that:

- (a) Compliance with Laws. The receipt and use of the Regulated Services provided hereunder by and under the BST tariffs by Customer is, and shall be throughout the Term and any renewal hereof, in full compliance with all applicable laws, including without limitation all applicable rules, regulations and policies of all regulatory authorities, except where such non-compliance would not have a Material Adverse Effect on the Parties' obligations, performance, rights and benefits under this Attachment.
- (b) Legal Authority and Enforceability. (i) The execution, delivery and performance of this Attachment (together with regulatory filings related thereto), and any collateral agreements related thereto, and the consummation of all transactions contemplated hereby, have been duly authorized by all requisite corporate action; (ii) this Attachment and all other agreements and obligations entered into, and undertaken in connection with, the transactions contemplated hereby to which Customer is a party, constitute the valid and legally binding obligations of Customer, enforceable against Customer in accordance with their respective terms; (iii) the execution, delivery and performance by Customer of this Attachment and the agreements provided for herein (together with any regulatory filings related thereto), and the consummation of the transactions contemplated hereby and thereby, do not, (x) violate the provisions of any law, rule or regulation applicable to Customer, (y) violate any judgment, decree, order or award of any court, or

regulatory authority binding upon Customer, or (z) conflict with or violate the terms of any other agreement by which Customer or its property is bound.

#### C. MISCELLANEOUS PROVISIONS

- 20. Business Opportunities Outside BellSouth's Franchised Territory. In the event BST offers Regulated Services currently included in this Attachment or new services outside of its existing franchised territory and Customer subscribes to such services, BST shall review with Customer such instances to determine the feasibility and/or criteria for including any of the subscribed services in the Regulated Services Attachment.
- 21. Most Favored Customer. The pricing in this Attachment that BST has offered to Customer is as favorable as pricing in pricing proposals that have been made available to Other Customers. Further, if either party identifies an agreement under which BST's pricing terms with an Other Customer are more favorable than the terms offered to Customer during the term of this Attachment, BST agrees to offer Customer the opportunity to amend this Attachment to reflect the more favorable rates, terms and conditions. Factors that will be considered to determine whether a customer is similarly situated will be the mix, volume and geography of services.
- 22. Effective Date. The "Effective Date" of this Attachment shall be January 1, 2002.
- 23. Prior Agreements. This Attachment supercedes the Volume and Term Agreement (GA99-5879-00) dated December 14, 1999, between BellSouth and SunTrust Service Corporation.
- 24. Offer Expiration. This offer shall expire on March 22, 2002.
- 25. Extension of Term. The term of this Attachment may be extended for two additional oneyear periods upon the mutual agreement of the Parties. Customer shall provide BST written notice of its intent to renew at least 60 days before the beginning of each one-year renewal period.

Customer:		
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Printed Nari		

Date: Mark 29, 2002

BellSouth Telecommunications, Inc. By: BellSouth Business Systems, Inc.

Printed Name: F./C. Shefton

# Appendix 1 to Regulated Services Attachment GA01-B467-10

## SAMPLE ORDER ATTACHMENT

This Order Att Agreement No	tachment is en	tered into pursuar	nt to BellSo	uth Business <sup>sm</sup> Master	Services
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Other Terms ar	nd Conditions				•
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## Appendix 2 to Regulated Services Attachment

1. Customer:

2. Term: 3 Years

## **Volume and Term Provisions**

A. Annual Revenue Commitment: \$10,381,000

(90% of Baseline)

B. Baseline (First Year):

\$11,535,000

C. Discount Level

15.00%

D. Growth Percentage:

5.00%

Annual Growth Incentive Award: 10.00% (not to exceed \$125,000) E.

F. Discount Eligible Services

> Analog Private Line\* Basic Business CrisisLink Service Accupulse Flexserv Service

Lightgate Service\*\*

Megalink Service\*\*\*

Synchronet Service

**ESSX Service** 

Basic Rate ISDN

FCO & FX Service

Frame Relay

Megalink Channel Service

ESSX/MultiServ NARs

Lightgate NARs

Megalink Channel Service NARs

PBX/DID Trunks

NMLI Service

**SMARTPath Service** 

<sup>\*</sup>Analog Private Line is not discount eligible in Florida \*\*Lightgate Service is not discount eligible in Florida

<sup>\*\*\*</sup>Megalink Service is not discount eligible in Florida and Georgia

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Page 16 of 21

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SmartRing IntraLATA	SMADTDING IAC COA DELI DINIO	\$ 6 6 6 6	Ţ.,,	\$13,402	\$16,194				-	11.63	\$32,707
SmartPath DS3	SMARTPath DS3	YOY O	9	24,515	121,480						\$75,995
E911 & Hearing Inpaired	E911 & Hearing Impaired	ξ ζ	8 8	2 6	0/2/07	1			-	\$1,556	\$27,654
ZipCONNECT Service			703	6102	DW7 14	5	5	212	S.	<b>51</b> ,173	2
AMU	AMU	-	. <b>S</b>	220 677	C7 7.08	6113	\ <b>E</b>	6454	[	-	2193
IntraLATA Toll	IntraLATA Toll	<del> </del>	E	<b>51</b> 039	82/03	ğ	2 8	5	7010	200	2
WATS 800				3	525	+	2	2	2	3 8	E C
Commission and the American of the American Commission (American Commission C	Total Non-Discount Eligible Product	•	157,13	\$186,778	\$281.841	-	3	787	223	22 288	tene ace
AMPRICA MANIFERMENT COMMANDA AND AND AND AND AND AND AND AND AND	Percentage of Total Billing	6	0.49%	19.43%	29.32%	2200	2000	200	0.02%	3.41%	52.73%
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A DESCRIPTION OF THE PROPERTY	THE THE WOLLD'S SHIP		27.03	2317,103	X2/.78	Sign	1725	\$717	<b>8</b> 5	\$183,720	\$961,327
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	the design of the second of the management of the second o							Estimated	Estimated Annual VAT Savings	Savinge	S818.039
						     	<b>E</b>	nted Annu	Estimated Annual New CSA Savings:	Savings	\$1,104,420
	•							stimated.	Estimated Annual Total Savings:	Savinor	\$1.922.459
many the state of	Control of the Contro										

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# Appendix 4 to Regulated Services Attachment

Product		Dec-01
FLEXSERV	S	6,364
LIGHTGATE	<b>S</b>	14,527
MEGALINK CHANNEL SERVICE	S	19,465
MULTISERV/MULTISERV PLUS	€>	2,176
NATIVE MODE LAN INTERCONN	S	11,825
SMARTPATH	55	8,980
SYNCHRONET	•	61,490
MONTH! V CONTRACTED DEVIEWING	٠	70761
MONTHE CONTRACTED NEVENOES		170,471
ANNUALIZED CONTRACTED REVENUES	S	\$ 1,497,924

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#### TENNESSEE ADDENDUM

- 1. Customer and BellSouth acknowledge that various competitive alternatives are available to Customer in the State of Tennessee, including competitive alternatives to services provided herein, as evidenced by one or more of the following:
  - A. Customer has received offers for comparable services from one or more other service providers, including Spain ! When Com:
  - B. Customer is purchasing or has purchased comparable services from one or more other service providers, including works (or N/A);
  - C. Customer has been contacted by one or more other service providers of comparable services, including Spenie Week Com (or N/A); and
  - D. Customer is aware of one or more other service providers, from whom it can currently obtain comparable services, including Speint: Working.
  - 2. Customer and BellSouth agree that Customer's early termination of the Agreement without cause will result in damages that are indeterminable or difficult to measure as of this date and will result in the charging of liquidated damages as specified in this paragraph of this Addendum. Notwithstanding any provisions in the Agreement to the contrary, Customer and BellSouth agree that with regard to services provided within the State of Tennessee, this Paragraph of this Addendum sets forth the total amounts of liquidated damages the Customer must pay upon early termination of the Agreement without cause will be the lesser of the following:
    - a. the amount specified in Section 16 of this Agreement; or
    - b. the total of the repayment of discounts received during the previous twelve (12) months of service, the repayment of the prorated amount of any waived or discounted nonrecurring charge, and the repayment of the prorated amount of any documented contract preparation, implementation, and tracking or similar charges; or
    - c. six percent (6%) of the total Agreement amount; or
    - d. twenty-four percent (24%) of the average annual revenues of the Agreement if the term of the Agreement is longer than four (4) years.

Customer and BellSouth agree that these amounts represent a reasonable estimate of the damages BellSouth would suffer as a result of such early termination and that these amounts do not constitute a penalty.

- 3. Customer and BellSouth acknowledge and confirm their understanding that:
  - (a) Customer's agreement to pay the difference between the actual billed revenue for its V&T Eligible Services and its contract revenue commitment, as set forth in Section 9 of the CSA, does not apply upon Customer's early termination of the CSA; and
  - (b) Customer must therefore pay only the amount calculated in accordance with Section 16 upon early termination of the CSA.

4. In the event that the customer terminates this tariff term plan without cause prior to the expiration of this term plan, the Customer shall pay a termination charge as specified in the BellSouth tariffs (Section A2.4.10.E.1 and B2.4.9.A.4, available on the Web at http://cpr.bellsouth.com/pdf/tn/tn.htm). The Customer may request a calculation of the termination charge at any time during the term of this contract. Based on the information available at the start of this contract, at the end of the first six (6) months of the contract period and for each six (6) month period thereafter, the estimated amount of the termination liability charge will be \$1,868,580. In any event, the estimated termination liability charge will not exceed this amount. Should the Customer elect to terminate this contract prior to the expiration date without cause, the actual termination charge will be calculated in accordance with the tariffs referenced above and based on information available at the time of termination.

Custor	mer:		
By:	Printed Nar	ne	
В	Aumorized		e
Title:	5VP	· .	
Date: _	March	29	2002
			3

By: BellSouth Business Systems, Inc.

By: LAWRENCE E. GILL

Printed Name

By: Lawrence E O O

Authorized Signature

Title: VP+ GEN. Cornsec

Date: 44402

BellSouth Telecommunications, Inc.